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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIFTH COUNTRY PROGRAMME FOR THE SOLOMON ISLANDS

Programme period	Actual resources programmed	$
1992-1996	Net IPF	4 034 000
	Estimated cost-sharing	-
	Total	4 034 000

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I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current socio-economic situation

1. The economy of the Solomon Islands has been characterized by unsteady growth through the 1980s, due mainly to the fluctuation of world prices of the country's main export commodities: copra, fish, timber and palm oil. Domestically, growth in the private sector has been constrained by the scarcity of funds due to heavy borrowing by the public sector. The nation also suffered a severe setback from the cyclone of 1986.

2. Manufacturing accounts for 5 per cent of gross domestic product (GDP) and its value-added component increased from SI $6.0 million in 1984 to SI $8.0 million in 1988. The commercial subsector has been the main source of formal employment opportunities, although only about 25 per cent of the working-age population is currently engaged in formal employment.

3. The population, estimated at 326,000 in 1990, is characterized by a very young age structure resulting from a high birth rate of 42 per thousand and a low mortality rate. Per capita gross national product (GNP) was $630 in 1988, making it one of the low income countries in the Pacific. Illiteracy among adults is high at 50 per cent and nearly 40 per cent of school-age children do not have access to education. With a poor resource base and heavy reliance on external aid, unemployment is increasing and producing a variety of social problems. It is expected that with the classification of the Solomon Islands as a least developed country (LDC), the external development financial resources will expand during this programme cycle.

B. National development objectives and strategies

4. In line with the Government's "Program of Action 1989-1993", priority has been given to reducing macroeconomic imbalances and achieving sustainable economic growth through appropriate restructuring and economic stabilization programmes. The program encourages the private sector to play an increasingly catalytic role in national development. To this end, the Government proposes to set up several new financial institutions and to privatize the commercial activities of the Solomon Islands Investment Corporation. Sectoral priorities are focused on the development of smallholder agriculture, economic infrastructure and human resources development with particular focus on education and health.

II. EXTERNAL COOPERATION

A. Role of external cooperation

5. External assistance continues to play a significant role in the national development of the Solomon Islands. Based on the latest figures from the Government's "Development Budget 1991", the following are the major priorities of external development cooperation: physical infrastructure development, 34 per cent; human resources and community development, 26 per cent; natural resources, 15 per cent; and commerce, industry and finance, 14 per cent.

6. The pattern of technical cooperation has been changing in recent years, from long-term expatriate personnel in line positions within the Government, to short- and medium-term technical cooperation for in-service training programmes to upgrade the skills of existing staff. The major donors are Australia, Japan, New Zealand, the United Kingdom, the European Community, the Asian Development Bank (AsDB) and the World Bank. In terms of total aid flows, UNDP is not a significant donor to the Solomon Islands. Along with Australia and New Zealand, however, it represents a major source of technical cooperation.

B. Aid coordination arrangements

7. In an effort to promote its national objectives with respect to devolution of authority to the provinces, the Government assigned the responsibility of managing bilateral and multilateral aid to the Ministry of Provincial Government and the Ministry of Finance and Economic Planning, respectively. The ultimate authority for project approval rests with the Policy Evaluation Unit of the Prime Minister's Office. With regard to coordination within the United Nations, although the timing and procedures for programming by the agencies in the United Nations system differ, the new country programme seeks to identify areas for Joint Consultative Group on Policy (JCGP) joint programming.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

8. The fourth country programme concentrated on a number of sectors: development policy and planning, energy, water, agriculture, forestry, fisheries and industry. A total of 22 projects were funded under this programme. Some projects have resulted in modest achievements towards national capacity-building. Overall, however, difficulties in assigning the required counterparts, resulting in some UNDP-funded personnel performing line functions, have impeded the building of greater self-reliance. Assistance in the promotion of small- and medium-scale industries supports Government's emphasis on private sector development. Such cost-effective modalities as

the use of specialists from the United Nations Volunteers programme (UNV) were found to be useful. However, there needs to be careful consideration of training options for counterparts in the future. The role of the subregional and regional programme in backstopping and complementing national activities was found to be useful.

B. Proposal for UNDP cooperation

1. Preparatory process

9. The preparation of the fifth country programme was based on continuous dialogue and consultations between the Government, other donors, and relevant agencies of the United Nations system. These consultations, which took account of the recommendations of the mid-term review, the discussions on the Advisory Note, UNDP's areas of focus and the Government's priorities, resulted in the adoption of a sectoral and thematic approach in developing the new country programme.

2. Strategy for UNDP cooperation

10. It is proposed that the national IPF be utilized in support of the following priority areas: (a) entrepreneurial training and development; (b) health improvement for disadvantaged groups; (c) forestry resources management; and (d) strengthening of development management capacity. The decision to concentrate resources in these selected areas represents a shift away from the scattered approach taken in the previous cycle and towards a more programme-oriented approach. These areas of concentration were determined following a review of national priority needs, support pledged by other donors, areas of focus mandated by UNDP's Governing Council and UNDP's comparative advantages. These latter are its ability to address changing national needs, sectoral neutrality, capacity to reach a global network of specialized expertise, such cost-effective modalities as the use of UNVs and United Nations International Short-Term Advisory Resources (UNISTAR), and its ability to provide, complement and reinforce country programme activities through its subregional and regional programmes.

3. Proposed UNDP cooperation in selected areas of concentration

Entrepreneurial training and development

11. In the Solomon Islands there are only a few vocational training centres, and post-primary and secondary technical education is very limited. Although primary education needs are being addressed by other donors, vocational training and community-based non-formal education is lagging. To alleviate this, it is proposed that UNDP cooperate in the development of policy strategies and implementation in the areas of vocational training and

entrepreneurial development. This programme of cooperation will encompass both rural and urban areas, with special emphasis on the promotion of technical, professional and managerial skills. Particular attention will be given to the training of women.

12. The strategy aims to provide advice and training for local entrepreneurs and to assist them in mobilizing resources; to establish and sustain their enterprises; and to enhance the availability of credit. Business advisory support will be provided through such indigenous business organizations as the Federation of Solomon Islands Businesses and the Solomon Islands Builders Association. As the Solomon Islands joins the LDC group, a United Nations Capital Development Fund (UNCDF) credit scheme is expected to be made available to indigenous entrepreneurs. By the end of the fifth cycle it is envisaged that the size and diversity of the skilled workforce will have increased, a number of new indigenous businesses will have been established and existing ones assisted to improve their operations.

Health improvement for disadvantaged groups

13. As part of the National Health Plan, 1990-1994, the Ministry of Health and Medical Services aims to strengthen the sanitation component of the national water and sanitation services programme. The area of sanitation in the past has fallen behind in the implementation phase. The Government of the Solomon Islands realizes that particular emphasis and dedication ought to be brought to this programme and is calling on external donors to assist in its efforts to establish a comprehensive sanitation policy.

14. The country is heavily affected by water- and vector-borne diseases. Malaria is the most important public health problem in the country. Its incidence rose from 276 per thousand in 1990 to 400 per thousand in 1991. Diarrhoea is also a main cause of mortality; a World Health Organization (WHO) survey indicated that more than 44 per cent of the deaths of children under five years of age was due to diarrhoea or diarrhoea-related diseases. Poor sanitation facilities are held partly responsible for the increased incidence of the diseases. Currently, only 9 per cent of rural households have access to sanitation facilities.

15. Within the framework of a programme approach, UNDP's technical cooperation will support the development of government policy strategies with respect to a sustainable National Water/Sanitation Programme. In close cooperation with the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), WHO and other donors, a joint initiative is being made to formulate collaborative strategies in this sector. The focus will be on:

(a) Providing and improving water/sanitation facilities, particularly in the rural areas. Community-based projects to secure water availability will be studied;

(b) Promoting personal hygiene and environmental education in provincial primary schools, which are considered the most viable and receptive institutional bases for building a rural sanitation programme; and

(c) Assisting the Government in integrating the elements of water and sanitation in the development planning programmes, and in the implementation of these programmes.

16. By the end of the fifth cycle, UNDP cooperation will have supported the Government's objective to formulate and implement a sustainable national strategy for a community-based water supply system. Donor investments in the water sector will further strengthen the Government's provincial capacity not only in identifying strategies for the implementation of its rural water/sanitation programme, but also in effectively delivering and maintaining its overall national primary health care services programme.

Forestry resource management

17. Given the rate of forest depletion and the fragile nature of ecosystems in the country there is an urgent need to alleviate the rapid loss of forest resources through sustainable management and conservation. At the same time, it is recognized that exports of logs have contributed 20 to 30 per cent of the Solomon Islands' total foreign exchange earnings in the last 10 years.

18. During the fifth country programme, the Government plans to improve the utilization of forest resources, including the technology for felling and processing, while making efforts to identify potential market opportunities for small-scale local production of timber. Currently, a policy of increased processing is being pursued in accordance with the Government's wish to process the logs in-country for value-added benefits, instead of exporting them as raw material.

19. As part of its overall strategy in sustainable management of forestry resources, the Government will strive to strengthen its institutional capacity for effective policy formulation and implementation. Towards this end, it is proposed that UNDP, through the use of information drawn from the National Forestry Inventory, funded by Australia, assist the Government in the management and utilization of forest resources with the objective of maintaining their productivity and developing their potential contribution to the national economy and welfare of the people. The UNDP-supported regional South Pacific Forestry Development Programme will complement these initiatives. It is expected that by the end of the next decade, the Government will have been able to institutionalize the projects' strategies and localize the posts in forestry management.

Strengthening of development management capacity

20. As part of its structural adjustment programme, the Government has identified the restructuring of the public service sector as a priority. Discussions are currently under way to further determine the scope of UNDP

cooperation in improving the Government's capability to implement and manage its programmes.

21. Specifically, it is proposed that UNDP support training and short-term technical cooperation efforts in the public service for the purpose of achieving effective coordination and management of development programmes.

C. Assistance outside main country programme areas

22. An unprogrammed reserve of $59,000 will provide resources for other national priorities outside the country programme's frame of reference and for programme contingencies. There are currently two projects outside the mainstream country programme with a total budget of $387,000. These projects are in the areas of labour-based road construction and housing.

D. Implementation and management arrangements

23. As national capacity to formulate, manage and implement development programmes is built up, it is expected that the national execution of UNDP cooperation will correspondingly increase. Where required, technical support will be provided by the specialized agencies of the United Nations system.

24. Given their cost-effectiveness, UNVs will continue to be utilized, but with more careful planning of the training options required for counterparts. Such other cost-effective modalities as technical cooperation among developing countries (TCDC) and UNISTAR will also be increasingly used.

25. The UNDP-supported subregional and regional programmes will continue to play an important role in complementing and backstopping national programmes.

26. UNDP-supported activities will be carefully and regularly monitored to ensure that they remain relevant and responsive to the specific development environment. The country programme as a whole will be subjected to a mid-term review.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth-cycle IPF	289	
Fifth-cycle IPF	3 745	
Subtotal IPF		4 034
Project cost-sharing (Government)	-	
Project cost-sharing (Third party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		-
TOTAL		4 034

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Vocational training and indigenous entrepreneurial development	1 382	-	1 382	34
Health improvement for disadvantaged groups	1 171	-	1 171	29
Forestry resource management	700	-	700	17
Development administration	250	-	250	6
Commitments not related to areas of concentration	472	-	472	12
Subtotal	3 975	-	3 975	99
Unprogrammed reserve	59	-	59	1
TOTAL	4 034	-	4 034	100

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III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR		
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNRFNRE	-	
UNFSTD	-	
Subtotal		-
B. Other United Nations resources		
JCGP participating agencies		
UNFPA	1.5	
UNICEF	1.4	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	-	
Subtotal		2.9
Total non-core and other United Nations resources		2.9
C. Non-United Nations resources	-	
TOTAL		2.9

Annex II

PROGRAMME MATRIX

Areas of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Vocational training and indigenous entrepreneurial development						
Business advisory support	*		*	*	*	*
Entrepreneurial training			*	*	*	*
II. Health improvement for disadvantaged groups						
Water sanitation facilities	*	*			*	*
School education on hygiene and environment	*	*				*
Planning Sanitation Programme	*	*	*	*		
III. Forestry resource management						
Advisory service on management of forest resources	*	*	*	*	*	
IV. Strengthening of development management capacity						
Public sector restructuring			*	*		
Training			*	*		*

a/ Asterisks indicate major linkage only.